



Department of
Local Government Finance

TS-1 2009

Tim Jorczak

**Director of Policy and Intergovernmental
Affairs**

March 2009



2009 TS-1: Outreach

- January 14, 2009: User Workshop
 - Treasurers, auditors, system vendors, printing vendors, other state agencies in attendance
 - What worked last year? What didn't?
 - Department took these thoughts, concerns and ideas, and...



February 11, 2009: TS-1 Release

STATE FORM 10001-1-01
APPROVED BY STATE BOARD OF ACCOUNTS, 2009

PREPARED BY THE DEPARTMENT OF LOCAL GOVERNMENT FINANCE (DOLGF) 1-01
TREASURER FORM 10-1A

SPECIAL MESSAGE TO PROPERTY OWNER

Your property taxes are capped at 1.5% of property value for homes, 2.5% for other residential property and farmground, and 3.5% for all other property. In 2010, these caps will be fully phased in at 1%, 2%, and 3%. State relief is given in the form of a credit (line 4a) for 2007-2008, and a reduced tax rate (line 3a and table 3) and supplemental deduction (line 2b) in 2009.

HOW YOUR PROPERTY TAX BILL IS CALCULATED

Taxpayer Name	Property Address	Date of Notice	Parcel Number	Taxing District
Joe and Jane Taxpayer	300 South 100 West Toto, IN 46365	April 1, 2009	00-00-00-000-000-000	001 Wayne Township

Space reserved for county data purposes

TABLE 1. SUMMARY OF YOUR TAXES

TAX SUMMARY ITEM	2007	2008	2009
1. Gross assessed value of property			
1a. Gross assessed value of land	\$45,130	\$45,130	\$45,130
1b. Gross assessed value of improvements	\$100,000	\$101,480	\$101,480
2. Equals total gross assessed value of property	\$145,130	\$146,610	\$146,610
2a. Minus deductions (see table 5 below)	(\$48,000)	(\$48,000)	(\$48,000)
2b. Minus new State supplemental deduction (see table 5 below)	\$0	\$0	(\$35,564)
3. Equals subtotal of net assessed value of property	\$97,130	\$98,610	\$63,047
3a. Multiplied by your local tax rate	2.3981	2.2625	1.6811
4. Equals gross tax liability (see table 3 below)	\$2,329.27	\$2,231.05	\$1,059.87
4a. Minus State property tax relief	(\$680.18)	(\$1,207.39)	(\$77.20)
4b. Minus Local tax relief	(\$33.10)	(\$31.85)	(\$35.39)
4c. Minus savings due to property tax cap (information on cap found in Table 2 below)	(\$0.00)	(\$0.00)	(\$0.00)
4d. Minus savings due to 65 years & older cap	(\$0.00)	(\$0.00)	(\$0.00)
5. Total property tax liability	\$1,615.99	\$991.81	\$947.28

Please see Table 4 for a summary of other charges to this property.

TABLE 2. PROPERTY TAX CAP INFORMATION

Property tax cap (equal to 1.5%, 2.5%, or 3.5% of Line 2, depending upon type of property)	\$0.00	\$0.00	\$2,199.00
Adjustment to cap due to voter-approved projects and charges ¹	\$0.00	\$0.00	\$100.00
Maximum tax that may be imposed under cap	\$0.00	\$0.00	\$2,299.00

TABLE 3. GROSS PROPERTY TAX DISTRIBUTION AMOUNTS APPLICABLE TO THIS PROPERTY

TAXING AUTHORITY	TAX 2007	TAX 2008	TAX 2009	TAX DIFFERENCE 2007-2008	PERCENT DIFFERENCE	TAX DIFFERENCE 2008-2009	PERCENT DIFFERENCE
STATE	\$2.33	\$2.37	\$0.00	\$0.04	1.7%	(\$2.37)	-100.0%
COUNTY	\$568.99	\$623.41	\$349.28	\$54.42	9.6%	(\$274.13)	-44.0%
TOWNSHIP	\$71.97	\$67.94	\$48.80	(\$4.03)	-5.6%	(\$19.14)	-28.2%
SCHOOL DISTRICT	\$1,530.97	\$1,416.54	\$857.05	(\$114.43)	-7.5%	(\$541.49)	-59.4%
CITY	\$0.00	\$0.00	\$0.00	---	---	\$0.00	---
LIBRARY	\$152.69	\$117.15	\$84.10	(\$35.54)	-23.3%	(\$33.05)	-28.2%
TAX INCREMENT	\$0.00	\$0.00	\$0.00	---	---	\$0.00	---
SPECIAL DISTRICT	\$2.32	\$3.64	\$2.65	\$1.32	56.9%	(\$0.99)	-27.3%
OTHER1							
OTHER2							
OTHER3							
TOTAL	\$2,329.27	\$2,231.05	\$1,059.87	(\$98.22)	-4.2%	(\$1,171.18)	-52.5%

The tax rate for each unit is equal to the gross property tax for that unit divided by the net assessed value for a given year.

TABLE 4. OTHER CHARGES TO THIS PROPERTY

LEVYING AUTHORITY	2007	2008	2009	TYPE OF DEDUCTION	2007	2008	2009
Debt Assessment Bill	\$30.04	\$17.27	\$18.96	Homestead/Standard	\$45,000	\$45,000	\$45,000
				Mortgage	\$1,000	\$1,000	\$1,000

Supplemental \$0 \$0 \$35,564

TOTAL ADJUSTMENTS \$30.04 \$17.27 \$18.96 TOTAL DEDUCTIONS \$46,000 \$46,000 \$80,564

1. Charges not subject to the cap apply to any existing property tax liens approved by voters through referendum, including charges for the property tax cap. For more information, see the back of this document.

2. If any assessment is made during the calendar year through a referendum for a tax rate increase, the reduction in the tax rate will be applied to the tax rate for the calendar year. If such a change in circumstances has occurred and you have not notified the county auditor, the reduction will be applied and you will be liable for taxes and penalties at the amount deducted.

A FIVE PERCENT (5%) PENALTY WILL BE ADDED IF THE INSTALLMENT OF THE TAX BILL IS PAID WITHIN THIRTY (30) DAYS AFTER THE DUE DATE. A TEN PERCENT (10%) PENALTY WILL BE ADDED IF AN INSTALLMENT OF THE TAX BILL IS NOT PAID WITHIN THIRTY (30) DAYS AFTER THE DUE DATE. NOTICE: THIS TAX BILL IS THE ONLY NOTICE YOU WILL RECEIVE FOR PAYMENT OF BOTH INSTALLMENTS FOR YOUR 2008 PAY 2009 PROPERTY TAXES.

SPRING INSTALLMENT - A

DELINQUENT AFTER:

PROPERTY NUMBER

LEGAL DESCRIPTION

NAME AND ADDRESS OF PROPERTY OWNER

SUMMARY OF CHARGES

TAX DUE FOR THIS INSTALLMENT:

OTHER CHARGES:

PENALTIES AND INTEREST:

**PAY THIS AMOUNT FOR
SPRING PAYMENT**

MAKE CHECKS PAYABLE TO: _____ COUNTY TREASURER. RETURN THIS PORTION WITH YOUR CHECK. IF RECEIPT IS REQUESTED, SEND WITH SELF ADDRESSED, STAMPED ENVELOPE.

Space reserved for county-specific information

A FIVE PERCENT (5%) PENALTY WILL BE ADDED IF THE INSTALLMENT OF THE TAX BILL IS PAID WITHIN THIRTY (30) DAYS AFTER THE DUE DATE. A TEN PERCENT (10%) PENALTY WILL BE ADDED IF AN INSTALLMENT OF THE TAX BILL IS NOT PAID WITHIN THIRTY (30) DAYS AFTER THE DUE DATE. NOTICE: THIS TAX BILL IS THE ONLY NOTICE YOU WILL RECEIVE FOR PAYMENT OF BOTH INSTALLMENTS FOR YOUR 2008 PAY 2009 PROPERTY TAXES.

FALL INSTALLMENT - B

DELINQUENT AFTER:

PROPERTY NUMBER

LEGAL DESCRIPTION

NAME AND ADDRESS OF PROPERTY OWNER

SUMMARY OF CHARGES

TAX DUE FOR THIS INSTALLMENT:

OTHER CHARGES:

PENALTIES AND INTEREST:

**PAY THIS AMOUNT FOR
FALL PAYMENT**

MAKE CHECKS PAYABLE TO: _____ COUNTY TREASURER. RETURN THIS PORTION WITH YOUR CHECK. IF RECEIPT IS REQUESTED, SEND WITH SELF ADDRESSED, STAMPED ENVELOPE.



2009 TS-1: Major Changes

- New Size Formats
 - 8.5 x 11 and 8.5 x 14, replacing unused sizes
- New Table
 - Table 2 adds additional circuit breaker information
- 3rd Year of Data
 - Additional year of data is necessary to show cumulative impacts of HEA 1001-2008
- New Fields
 - Addition of gross assessed value allows form to be used as a Form 11 notice of assessment; other new information to reflect statutory changes



2009 TS-1: Major Changes

- Percent Change calculation
 - Changes calculation to reflect year-over-year change in tax liability
- Remittance Coupons
 - Like last year, counties will be allowed to format remittance coupons according to their mailing, processing, and payment needs
 - Additional information on coupon is necessary to accommodate statutory information
 - Avoid redundancy with the TS-1: SIMPLICITY IS KEY



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MAKE CHECKS PAYABLE TO: _____ COUNTY TREASURER. RETURN THIS PORTION WITH YOUR CHECK. IF RECEIPT IS REQUESTED, SEND WITH SELF-ADDRESSED, STAMPED ENVELOPE.

A FIVE PERCENT (5%) PENALTY WILL BE ADDED IF THE INSTALLMENT OF THE TAX BILL IS PAID WITHIN THIRTY (30) DAYS AFTER THE DUE DATE. A TEN PERCENT (10%) PENALTY WILL BE ADDED IF AN INSTALLMENT OF THE TAX BILL IS NOT PAID WITHIN THIRTY (30) DAYS AFTER THE DUE DATE. NOTICE: THIS TAX BILL IS THE ONLY NOTICE YOU WILL RECEIVE FOR PAYMENT OF BOTH INSTALLMENTS FOR YOUR 2008 PAY 2009 PROPERTY TAXES.

MAKE CHECKS PAYABLE TO: _____ COUNTY TREASURER. RETURN THIS PORTION WITH YOUR CHECK. IF RECEIPT IS REQUESTED, SEND WITH SELLER'S CHECK. ADDRESS, STAMPED ENVELOPE.

2009 TS-1 Demonstration: Example property



Single-family residential
home on 1 acre, owner
occupied with mortgage

Tax rate:

\$10.0000

State Homestead Rate:

25.0000%

Local Homestead Rate:

15.0000%

Local PTRC Rate:

10.0000%



Table 1: Tax Summary

■ 1. and 2. Assessed Value of Property

	2007	2008	2009
1. Gross assessed value of property			
1a. Gross assessed value of land	\$85,000	\$90,000	\$100,000
1b. Gross assessed value of improvements	\$850,000	\$875,000	\$900,000
2. Equals total gross assessed value of property	\$935,000	\$965,000	\$1,000,000
2a. Minus deductions (see table 5 below)	\$48,000	\$48,000	\$48,000

1B3 Gross assessed value of land: \$100,000

1C3 Gross assessed value of improvements: \$900,000

2. Equals total gross assessed value of property \$1,000,000



Table 1: Tax Summary

■ 3. Subtotal Net Assessed Value of Property

2. Equals total gross assessed value of property	\$955,000	\$905,000	\$1,000,000
2a. Minus deductions (see table 5 below)	\$48,000	\$48,000	\$48,000
2b. Minus new State supplemental deduction (see table 5 below)	\$0	\$0	\$298,750
3. Equals subtotal of net assessed value of property	\$887,000	\$917,000	\$653,250

1E3 Minus sum of deductions (From Table 5): \$ 48,000

1F3 Minus new supplemental standard deduction: \$298,750

Gross AV – Homestead standard deduction (1,000,000 – 45,000) = \$955,000

35% of remaining AV less than \$600,000 = (600,000 x 35/100) = \$210,000

25% of AV above \$600,000 = (955,000 – 600,000) = (355,000 x 25/100) = \$ 88,750

1G3 Subtotal net assessed value of property \$653,250



Table 1: Tax Summary

■ 4. Gross Tax Liability

2b. Minus new State supplemental deduction (see table 3 below)	\$0	\$0	\$28,750
3. Equals subtotal of net assessed value of property	\$887,000	\$917,000	\$653,250
3a. Multiplied by your local tax rate	9.5000%	9.7500%	10.0000%
4. Equals gross tax liability (see table 3 below)	\$84,265.00	\$89,407.50	\$65,325.00

1H3 Multiplied by your local tax rate

\$10.0000

$((653,250/100) \times 10.0000)/2$

\$32,662.50

$(\$32,662) \times 2$

\$65,325.00

1I3 Gross Tax Liability

\$65,325.00



Table 1: Tax Summary

■ 4a. State property tax relief

4a. Minus State property tax relief	(\$25,000.00)	(\$25,000.00)	(\$14,698.12)
4b. Minus Local tax relief	\$0.00	\$0.00	(\$15,251.20)

Gross tax liability	\$65,325.00
<i>Less local PTRC (65,325 x (10.0000/100))</i>	<u>\$ 6,532.50</u>
Equals HEA 1001 State Homestead base amount	\$ 58,792.50
<i>Multiplied by HEA 1001 State Homestead (((58,792.50) x (25.0000/100)/2) x 2</i>	
1J3 Equals state property tax relief	\$14,698.12



Table 1: Tax Summary

■ 4b. Local property tax relief

4b. Minus Local tax relief	\$0.00	\$0.00	(\$15,351.38)
4c. Minus savings due to property tax cap (information on cap found in Table 2 below)	\$0.00	\$45,007.50	(\$20,275.50)

Gross tax liability \$65,325.00

Multiplied by local PTRC amount (65,325 x (10.0000/100))

Equals local PTRC \$ 6,532.50

*Gross tax liability less local PTRC amount multiplied by local Homestead rate
(((58,792.50) x (15.0000/100)/2) x 2*

Equals local homestead amount \$ 8,818.88

*local PTRC amount plus local homestead amount
6,532.50 + 8,818.88*

1K3 Total locally funded property tax relief \$15,351.38



Table 1: Tax Summary

■ 4c. Property Tax Cap

4c. Minus savings due to property tax cap (information on cap found in Table 2 below)	\$0.00	\$45,007.50	(\$20,275.50)
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Gross tax liability[1I3] (\$65,325.00)	\$65,325.00
Minus State property tax relief [1J3]	\$14,698.12
Minus Local property tax relief [1K3] (\$15,351.38)	<u>\$15,351.38</u>
Equals net tax liability pre-tax cap	\$35,275.50
Minus Gross AV x Circuit breaker rate ((1,000,000)*(1.5/100))	<u>\$15,000.00</u>
1L3 Savings due to property tax cap	\$20,275.50



Table 1: Tax Summary

■ 4d. 65 Years & Over Property Tax Cap

4d. Minus savings due to 65 years & older cap	\$0	\$0	\$0.00
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NOT IN EXAMPLE DOCUMENT

<i>Net Property tax liability this year [1N3] (\$1,100) –</i>	
<i>Net property tax liability last year [1N2] (\$1,000)</i>	<i>\$ 100.00</i>
<i>Minus 2% of net property tax liability last year [1N2] (1,000) x (2/100)</i>	<i><u>\$ 20.00</u></i>
<i>1M3 savings due to 65 years & over cap</i>	<i>\$80.00</i>



Table 1: Tax Summary

■ 5. Total Property Tax Liability

1d. Minus savings due to 65 years & older cap	\$0	\$0	\$0.00
5. Total property tax liability	\$59,265.00	\$19,400.00	\$15,000.00

Please see Table 4 for a summary of other charges to this property.

Gross Property Tax liability [1I3]	\$ 65,325.00
Minus state property tax relief [1J3]	\$ 14,698.12
Minus local property tax relief [1K3]	\$ 15,351.38
Minus savings due to property tax cap [1L3]	\$ 20,275.50
Minus savings due to 65 years and over cap [1M3]	\$ 0.00
1N3 Total property tax liability	\$15,000.00



Table 2: Property Tax Cap

Part 1: Total Property Tax Cap

Property tax cap (equal to 1.5%, 2.5%, or 3.5% of Line 2, depending upon type of property)	-	\$19,300.00	\$15,000.00
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Cap amount: Total Gross AV [1D3] x Cap Rate [RATE/100]

\$1,000,000 Total Gross Homestead AV x (1.5/100) = \$15,000 Tax Cap

If the AV crosses cap amounts, each component should be calculated separately and added together

\$100,000 Total Gross AV

- \$50,000 Homestead + 1 acre;
- \$25,000 Rental home;
- \$25,000 Barn

$\$50,000 \times (1.5/100) + \$25,000 (2.5/100) + \$25,000 (3.5/100)$

$\$725 + \$625 + \$875 = \$2,225$ 2A3 Total Property tax cap



Table 2: Property Tax Cap

Part 2: Adjustment to Cap

Adjustment to cap due to voter-approved projects and charges ¹	-	\$100.00	\$0.00
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NOT IN EXAMPLE DOCUMENT

(Total Net AV [1G3]/100) x Excluded net tax rate

Excluded net tax rate is calculated from cap-exempted debt passed by voters at referendum. In addition, Lake County and St. Joseph County have additional debt obligations exempted from the cap

$((\$653,250/100) \times .5000)/2 \times 2 = \$3,266.26$ 2B3 Cap Adjustment



Table 2: Property Tax Cap

Part 3: Maximum Tax That May Be Imposed Under the Cap

Maximum tax that may be imposed under cap	-	\$19,400.00	\$15,000.00
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(Gross AV x Circuit breaker rate ((1,000,000) x (1.5/100)) \$ 15,000.00
Plus Net AV x net exempt rate ((653,250.00) x (0.0000/100)) \$ 0.00
2C3 Maximum tax that may be imposed under the cap \$15,000.00

(Gross AV x Circuit breaker rate ((1,000,000) x (1.5/100)) \$ 15,000.00
Plus Net AV x net exempt rate ((653,250)/100) x (.5/100)) [rounded] \$ 3,266.26
2C3 Maximum tax that may be imposed under the cap \$18,266.26



Table 3: Gross Tax Distribution

Part 1: 3-year comparison of unit-level tax amounts

TABLE 3: GROSS PROPERTY TAX DISTRIBUTION AMOUNTS APPLICABLE TO THIS PROPERTY							
TAXING AUTHORITY	TAX 2007	TAX 2008	TAX 2009	TAX DIFFERENCE 2007-2008	PERCENT DIFFERENCE	TAX DIFFERENCE 2008-2009	PERCENT DIFFERENCE
STATE	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
COUNTY	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
TOWNSHIP	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
SCHOOL DISTRICT	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
CITY	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
TOTAL	\$84,265.00	\$89,407.50	\$65,325.00	\$5,142.50	6.10%	(\$24,082.50)	-26.94%

(Total Net AV [1D3] /100) x Individual Unit Rate

(Total net AV/100 x Unit rate((653,250 x (2.0000)))

\$ 13,065.00



Table 3: Gross Tax Distribution

Part 2: Tax Difference

TABLE 3: GROSS PROPERTY TAX DISTRIBUTION AMOUNTS APPLICABLE TO THIS PROPERTY							
TAXING AUTHORITY	TAX 2007	TAX 2008	TAX 2009	TAX DIFFERENCE 2007-2008	PERCENT DIFFERENCE	TAX DIFFERENCE 2008-2009	PERCENT DIFFERENCE
STATE	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
COUNTY	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
TOWNSHIP	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
SCHOOL DISTRICT	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
CITY	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
TOTAL	\$84,265.00	\$89,407.50	\$65,325.00	\$5,142.50	6.10%	(\$24,082.50)	-26.94%

Gross Tax Amount 2009 [3A3, etc.]– Tax Amount 2008 [3A2, etc.]

Tax Difference 2007-2008: \$17,881.50 - \$16,853.00 = \$1,028.50

Tax Difference 2008-2009: \$13,065.00 - \$17,881.50 = \$-4,816.50



Table 3: Gross Tax Distribution

Part 3: Percent Difference

TABLE 3: GROSS PROPERTY TAX DISTRIBUTION AMOUNTS APPLICABLE TO THIS PROPERTY							
TAXING AUTHORITY	TAX 2007	TAX 2008	TAX 2009	TAX DIFFERENCE 2007-2008	PERCENT DIFFERENCE	TAX DIFFERENCE 2008-2009	PERCENT DIFFERENCE
STATE	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
COUNTY	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
TOWNSHIP	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
SCHOOL DISTRICT	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
CITY	\$16,853.00	\$17,881.50	\$13,065.00	\$1,028.50	6.10%	(\$4,816.50)	-26.94%
TOTAL	\$84,265.00	\$89,407.50	\$65,325.00	\$5,142.50	6.10%	(\$24,082.50)	-26.94%

(Gross Tax Amount 2009 [3A3, etc.] – Tax Amount 2008 [3A2, etc.]) / Tax Amount 2008 [3A2, etc.]

Tax Difference 2007-2008: \$17,881.50 - \$16,853.00 / \$16,853.00 = 6.10%

Tax Difference 2008-2009: = \$13,065.00 - \$17,881.50 = -\$4,816.50 / \$17,881.50 = -26.94%



Contact The Department

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